

<b>TYPE:</b>	Administrative
<b>TITLE:</b>	Schedule of Authority
<b>NO.:</b>	ADMIN-259
<b>RESPONSIBILITY:</b>	Chief Administrative Officer and Chief Financial Officer
<b>APPROVED BY:</b>	Durham College Leadership Team
<b>EFFECTIVE DATE:</b>	October 2020
<b>REVISED DATE(S):</b>	
<b>REVIEW DATE:</b>	October 2023

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## 1. Introduction

Durham College strives to ensure its purchasing activities are conducted in a manner that is ethical, lawful, transparent, courteous, clearly documented and fiscally responsible. Procurement decisions shall be taken with consideration given to short-term and long-term departmental and College-wide goals.

## 2. Purpose

The purpose is to specify the signing authorities for executing legal contracts on behalf of Durham College. Its objective is to ensure that all externally binding transactions are properly reviewed, analyzed and authorized according to the attributes and importance of the commitment expected to be made by Durham College.

## 3. Definitions

Refer to [Durham College's Standard Definitions](#).

## 4. Policy statements

This section is not applicable.

## 5. Procedure

### 5.1. Contracts

- Academic contracts;
- Commercial contracts;
- Employment contracts;
- Consultancy contracts; and
- Purchase requisitions, purchase orders and invoices.

## 5.2. Personal authority

Authorities referenced in the Schedule of Authority are assigned by the College to employees rather than their positions. The Personal Authority Form (PAF) (available on the employee intranet under related forms on the Finance page) defines authority assigned to a certain employee and describes the terms and conditions of the use of it. In the case of a change in the position of an employee, their PAF will be renewed according to the responsibilities of the new position. In the case of an employee leaving Durham College, authority assigned to them will be cancelled effective from the date of their departure at the latest. All PAFs must be completed electronically, authorized by your direct supervisor, and will be filed in the office of the Chief Financial Officer (CFO). The President's approval is only required if the approval limits deviate from the limits outlined in this procedure. The College retains the right to rescind authority assigned to an employee at any time without having to provide any reason.

## 5.3. Use of authority

College employees must not take any actions to reduce the value of commitment to avoid approval authority requirements. Such actions could include subdividing projects, procurements, contracts and awarding multiple consecutive contracts to the same vendor.

## 5.4. Delegation of authority

In the case of a temporary leave of an employee, their authority can be delegated to another employee of their choice. The delegation of authority is documented by a completed Delegation of Authority Form (available on the employee intranet under related forms on the Finance page). Delegation of authority must be approved by the management level one above the employee's immediate supervisor. In the absence of a delegate, approvals should always be delegated up.

## 5.5. Contracts

5.5.1. All contracts with a term longer than five (5) years and/or a total value greater than \$3 million shall be authorized by the Board of Governors (BOG). Such contracts shall be signed by both the Chair of the BOG and the President for execution. Further, if there is a change to the cost of a BOG-approved contract that requires additional funding of at least ten per cent of the approved value of the contract, then those change orders shall also be approved by the BOG and executed with the signatures of both the Chair and President.

5.5.2. College employees will pay utmost attention in complying with this Schedule of Authority during the preparation and signing of a contract. Contravention of assigned authority may be considered as a breach of the employment contract.

- 5.5.3. A Contract Authorization and Risk Assessment Form (CARAF) (available on the employee intranet) is completed by the Originator of the contract and is attached to the contract with approved signatures. Employment contracts & Ministry of Colleges and Universities (MCU) funding contracts do not require completion of a CARAF. As well, a new CARAF does not need to be completed for recurring contracts where there no changes to the terms of the original agreement.
- 5.5.4. Contracts other than employment and the MCU funding contracts are reviewed by the Manager, Insurance and Risk Management for risk assessment prior to execution.
- 5.5.5. Execution signatures are applied on the contract. If two College signatures are required for the execution of the contract, then both approval and execution authorities sign the contract.
- 5.5.6. Execution authorities are assigned by the Board of Governors and renewed on an annual basis for every fiscal year. The Board may assign in-term authority within a fiscal year due to executive turnover.
- 5.5.7. Total monetary commitment for a contract is calculated by multiplying the value of the monetary commitment for each period by the total term of the contract (excluding taxes). If the contract does not specify any monetary amount, then an estimation of the monetary commitment should be made by the originator and entered on the CARAF.
- 5.5.8. Based on the assessment of risk and liabilities, the Manager, Insurance and Risk Management may ask for a legal opinion regarding a contract. Notwithstanding this decision, the execution authority of a contract can also ask for a legal opinion. In both cases the office of the CFO should be contracted for obtaining legal opinions.
- 5.5.9. Internal and external communication related to the preparation and authorization of the contract and co-ordination between internal stakeholders is performed by the originator of the contract.
- 5.5.10. Following approval, the original signed copy of the contract will be forwarded to the Manager, Insurance and Risk Management.
- 5.5.11. The following timelines should be planned ahead for the processing of a contract:
- 5.5.12. Four (4) business days for the review and sign off of the Manager, Insurance and Risk Management
  - a) Four (4) business days for obtaining the approval signature of a contract; and

- b) Five (5) business days for obtaining the execution signature of a contract.
- c) Additional time should be planned in case the contract requires a legal review. Timelines can be accelerated only for exceptional situations that require immediate attention.

5.5.13. Originators of a contract will be responsible for the implementation of the contract:

- a) Ensuring compliance with its terms and conditions;
- b) Informing the related departments of the College about specific billing and/or payment requirements of the contract;
- c) Monitoring that payments and/or collections are carried out by the related departments of the College according to the terms of the contract;
- d) Complying with reporting requirements; and
- e) Initiating renewal of contract upon its expiry when necessary.

#### 5.6. Academic contracts

5.6.1. Externally funded contracts include those that are made with government or other funding agencies that involve the College to provide academic services in return for a fee (e.g. Literacy and Basic Skills, School Work Initiative, Ontario Training Strategy etc.). Once reviewed by the relevant business unit, these can be forwarded for execution. These do not need to be reviewed by the Office of Insurance & Risk Management.

5.6.2. Contract approval shall be structured as follows:

<b>Contract</b>	<b>Term</b>	<b>Value of commitment</b>	<b>First Approval</b>	<b>Second Approval</b>	<b>Execution</b>
Field Placement	Any	Any	Associate Dean	Executive Dean	Executive Dean
Student exchange programs	Any	Any	Executive Dean / AVP Academic	VPA	President
Inter-institutional collaborations	Any	Any	Executive Dean	VPA	President
Articulation agreements	Any	Any	Executive Dean	VPA	President
International academic agreements	Any	Any	Executive Dean / AVP Academic	VPA	President

<b>Contract</b>	<b>Term</b>	<b>Value of commitment</b>	<b>First Approval</b>	<b>Second Approval</b>	<b>Execution</b>
Employment services agreements	Any	<=\$500,000	Director	Relevant VP	Relevant VP
	Any	>\$500,000	Director	Relevant VP	President
Externally funded and research contracts	Any	<=\$200,000	Dean/ Director	Relevant VP	VPA
	Any	>\$200,000	Dean/ Director	Relevant VP	President

### 5.7. Commercial contracts

- 5.7.1. Execution of real property purchase or sale contracts is made according to the MCU's binding policy directives including but not limited to the resource document entitled Sale or Encumbrance of College Property Resource Document for Discretionary Use.
- 5.7.2. Contracts for purchasing goods and services (vendor contracts) are reviewed by the Procurement Manager according to the Purchasing policy.
- 5.7.3. The Payroll department determines if a contract between the College and a certain individual will be either an employment contract or a consultancy contract based on the attributes of the work relationship under the guidelines from Revenue Canada.

<b>Contract</b>	<b>Term</b>	<b>Amount</b>	<b>First Approval</b>	<b>Second Approval</b>	<b>Execution</b>
Purchase of goods and services, operating lease, and other business contracts (excluding consulting services)	Any	<100,000	Relevant Dean/ Director	Relevant VP/ AVP	Relevant VP/ AVP
	Any	>=100,00 <\$300,000	Relevant Dean/ Director	Relevant VP/ AVP	CAO
	Any	>=\$300,000	Relevant Dean/ Director	Relevant VP/ AVP	President
Consulting services	Any	<=\$300,000	Relevant Dean/ Director	Relevant VP	CAO
	Any	>\$300,000	Relevant Dean/ Director	Relevant VP and CFO	President
Purchase or sale of capital assets	Any	<=\$300,000	Relevant Dean/ Director	CFO	CFO

<b>Contract</b>	<b>Term</b>	<b>Amount</b>	<b>First Approval</b>	<b>Second Approval</b>	<b>Execution</b>
	Any	>\$300,000	Relevant Dean/ Director	CFO	President
Training contracts by Corporate Training Services	Any	<\$300,000	Relevant Director	Relevant Director	AVPA
	Any	>=\$300,000	Relevant Director	CFO	VPA
Capital lease	Any	Any	Relevant Dean/ Director	CFO	President
Property lease	< =5 Years	<=\$1,000,000	Relevant Dean/ Director	CFO	President
	> 5 Years	Any	Relevant Dean/ Director	CFO	President, BOG Chair
Purchase, sale, encumbrance of real property	Any	Any	Relevant Dean/ Director	CFO	President, BOG Chair
Loan agreements	Any	Any	Relevant Dean/ Director	CFO	President, CFO

#### 5.8. Employment contracts

<b>Group</b>	<b>Term</b>	<b>First Approval</b>	<b>Second Approval</b>	<b>Execution</b>
Academic	Full-time	Executive Dean	Relevant VP/VPA CAO	President
	Partial load, sessional part-time	Associate Dean	Executive Dean / Dean	Director of HR / AVP, Human Resources

Support staff	Full-time	Hiring Manager	Relevant VP / CAO	President
	Full-time contract, part-time, part-time contract	Hiring Manager	Relevant VP	Director of HR / AVP, Human Resources
Administrator	Full-time	Hiring Manager	Relevant VP / CAO	President
	Part-time contract	Hiring Manager	Relevant VP	CAO
	Positions reporting to the President		BOG Executive Committee	President

5.9. Purchase requisitions, purchase orders and invoices:

5.9.1. Purchase requisitions for operational expenditures:

- Purchase requisitions must be issued for all procurement activity greater than \$5,000 in value; whereas purchases under \$5,000 can be processed on the Corporate Purchasing Card (except capital items) or vendor invoice.
- Purchase requisitions are issued for a specific budget year. Requested goods and services must be delivered and received before the end of the budget year.
- Funds for requested goods and services shall be available in the approved operating budget of the originating department.
- Amounts less than \$5,000 can be approved by an administrative assistant, administrative coordinator or a more senior person.
- A purchase order is issued to the vendor by the procurement manager following proper authorization of a purchase requisition. Orders given verbally, by email or by telephone do not bind the College.

Amount	Term	Approval
<=\$5,000	Budget term	Department administrative assistant, coordinator or manager
<=\$100,000	Budget term	Relevant dean/director
>\$100,000	Budget term	Relevant VP/AVP/CFO
>\$500,000	Budget term	CAO and President

5.10. Purchase requisitions for capital expenditures

- Funds for requested goods and services shall be approved in the capital budget.

- Unbudgeted requisitions must be approved through the Administrative Decision Making process before the purchase requisition is entered.
- A purchase order is issued to the vendor by the procurement manager following proper authorization of a purchase requisition. Orders given verbally, by email or by telephone do not bind the College.

Budgeted

Amount	Term	Approval
<=100,000	Any	Relevant dean/director
>100,000	Any	Relevant VP/AVP
>500,000	Any	CAO or CFO and President

Unbudgeted

Amount	Term	Approval
<=100,000	Any	Relevant VP/AVP and CFO
>100,000	Any	CAO
>300,000	Any	President

5.11. Approval of invoices

- Invoices are approved by the same level of authority required for the requisitioning of goods and services.
- If the goods and services have been received in good order and billed according to the purchase order, approval is only required on the receiving documentation by the shipping and receiving department.
- When there is a discrepancy with the shipping, the Approver notes that the invoice is approved by justifying the discrepancy. If the Approver does not accept the invoice due to a conflict in price and/or quality, then they should contact the Procurement department for follow up with the vendor.
- The name of the Approver will be stamped or printed on the invoice.
- The Approver applies their full signature and notes the date of approval.



## 5.12. Payment of invoices

5.12.1. Accounts Payable conducts the following controls before preparing an invoice for payment:

- Invoice is matched with a previously issued purchase order;
- Quantity, price and amount on the purchase order match the invoice;
- There is a receiving copy of authorization by the receiving department for the goods received;

5.12.2. Invoice is properly authorized as defined above. Accepted invoices are booked to the system along with their due dates.

5.12.3. A pre-payment register is prepared by Accounts Payable.

5.12.4. The pre-payment register is approved by the Executive Director, Finance and payment is released upon approval.

5.12.5. Cheques greater than \$10,000 are approved by the CFO prior to their release.

## 6. Roles and responsibilities

6.1. The Chief Administrative Officer (CAO) is responsible for ensuring that this procedure is enforced and that any exceptions to this procedure are documented and approved.

6.2. All employees are responsible for understanding and complying with this procedure to ensure all external transactions are properly reviewed and executed.

## 7. Accessibility for Ontarians with Disabilities Act considerations

Accessibility for Ontarians with Disabilities Act (AODA) standards have been considered in the development of this policy and procedure and it adheres to the principles outlined in the College's commitment to accessibility as demonstrated by the Accessibility Plan (ADMIN-203).

## 8. Non-compliance implications

Any violation of the Procurement policy and procedure could result in financial or other penalties to the College and/or negatively impact its reputation

## **9. Communications plan**

- A message will be posted on ICE alerting employees when new or revised policies and procedures are added to ICE.
- A message will be posted on MyCampus alerting students when new or revised policies and procedures are added.

## **10. Related forms, legislation or external resources**

- Broader Public Sector Procurement Directive – Issued by the Management Board of Cabinet
- [Canadian Free Trade Agreement \(CFTA\)](#)
- [Comprehensive Economic and Trade Agreement \(CETA\)](#)